

CITY OF CHETOPA, KANSAS

Independent Auditors' Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2017

THE MENSE CPA FIRM, LLC
Certified Public Accountants

CITY OF CHETOPA, KANSAS
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The Mense CPA Firm, LLC

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

To the Mayor and City Council
City of Chetopa, Kansas

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Chetopa, Kansas, a Municipal Financial Reporting Entity, as of and for the year ended December 31, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Chetopa, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Chetopa, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Chetopa, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures,

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.



The Mense CPA Firm, LLC
Certified Public Accountants

Joplin, Missouri
July 2, 2018

CITY OF CHETOPA, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash Regulatory Basis

For the Year Ended December 31, 2017

| Funds | Beginning Unencumbered Cash Balance | Prior Year Cancelled Encumbrances | Receipts | Expenditures | Ending Unencumbered Cash Balance | Add: Encumbrances and Accounts Payable | Ending Cash Balance |
|----------------------------------|-------------------------------------------|-----------------------------------------|--------------|--------------|----------------------------------------|-------------------------------------------------|---------------------------|
| General Funds: | | | | | | | |
| General | \$ 102,751 | \$ - | \$ 754,164 | \$ 706,308 | \$ 150,607 | \$ 8,328 | \$ 158,935 |
| Special Purpose Funds: | | | | | | | |
| Library | - | - | 10,725 | 10,725 | - | - | - |
| Special Park | 32,429 | - | 23,442 | 53,997 | 1,874 | 140 | 2,014 |
| Special City and County Highway | 47,840 | - | 47,062 | 91,637 | 3,265 | 636 | 3,901 |
| Industrial Development | 11,320 | - | 12,254 | 20,073 | 3,501 | - | 3,501 |
| Fire Fighting Equipment | 43,282 | - | 10,847 | - | 54,129 | - | 54,129 |
| Employee Benefits | 215 | - | 207,080 | 187,578 | 19,717 | 2,180 | 21,897 |
| Special Law Enforcement | 4,768 | - | 3,558 | 3,170 | 5,156 | - | 5,156 |
| Special Liabilities | 46,727 | - | 10,539 | - | 57,266 | - | 57,266 |
| City Building | 7,071 | - | - | - | 7,071 | - | 7,071 |
| Water Bond Reserve | 14,688 | - | 816 | - | 15,504 | - | 15,504 |
| Bond and Interest Funds: | | | | | | | |
| Debt Service | - | - | 263,872 | 263,872 | - | - | - |
| Business Funds: | | | | | | | |
| Electric | 223,916 | - | 1,345,818 | 1,362,731 | 207,003 | 80,363 | 287,366 |
| Refuse | 26,754 | - | 121,009 | 105,961 | 41,802 | 3,204 | 45,006 |
| Water | 283,220 | - | 357,613 | 451,022 | 189,811 | 7,491 | 197,302 |
| Sewer | 184,071 | - | 188,367 | 210,164 | 162,274 | 182 | 162,456 |
| Total Primary Government | \$ 1,029,052 | \$ - | \$ 3,357,166 | \$ 3,467,238 | \$ 918,980 | \$ 102,524 | \$ 1,021,504 |
| Related Municipal Entities: | | | | | | | |
| Chetopa City Library | \$ 19,971 | \$ - | \$ 20,123 | \$ 20,163 | \$ 19,931 | \$ - | \$ 19,931 |
| Chetopa Historical Society | 14,958 | - | 3,633 | 4,207 | 14,384 | - | 14,384 |
| Total Related Municipal Entities | \$ 34,929 | \$ - | \$ 23,756 | \$ 24,370 | \$ 34,315 | \$ - | \$ 34,315 |
| Total Reporting Entity | \$ 1,063,981 | \$ - | \$ 3,380,922 | \$ 3,491,608 | \$ 953,295 | \$ 102,524 | \$ 1,055,819 |
| Composition of Cash: | | | | | | | |
| | | | | | Cash on Hand | | \$ 200 |
| | | | | | Checking Accounts | | 840,304 |
| | | | | | Certificates of Deposit | | 181,000 |
| | | | | | Related Municipal Entities | | 34,315 |
| | | | | | Total Reporting Entity | | \$ 1,055,819 |

The notes to the financial statement are an integral part of this statement.

CITY OF CHETOPA, KANSAS

Notes to Financial Statement

December 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I.A. MUNICIPAL FINANCIAL REPORTING ENTITY

The City of Chetopa, Kansas is a municipal reporting entity governed by an elected Mayor and council. The regulatory financial statement presents the City of Chetopa and its related municipal entities. The related municipal entities are included in the City's reporting entity because they were established to benefit the City and its constituents.

Related Municipal Entities

The related municipal entity section of this financial statement includes the financial data of the related municipal entities. The related municipal entities are reported separately to emphasize that they are legally separate from the City. The governing bodies of the related municipal entities are appointed by the City.

Library

The City of Chetopa Library Board operates the City's public library. The Library Board is appointed by the City. Acquisition and disposition of real property by the board must be approved by the City. Bond issuance must also be approved by the City.

Historical Society

The City of Chetopa Historical Society Board operates the museum. The Historical Society Board is appointed by the City. Acquisition and disposition of real property by the board must be approved by the City. Bond issuance must also be approved by the City.

I.B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separated set of self-balancing accounts. The following fund types are used by the City:

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

CITY OF CHETOPA, KANSAS
Notes to Financial Statement
December 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.B. REGULATORY BASIS FUND TYPES (CONTINUED)

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Business Fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

I.C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in a regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

CITY OF CHETOPA, KANSAS

Notes to Financial Statement

December 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The General, Employee Benefits, Special Highway, Special Park and Water Funds were amended during the year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

CITY OF CHETOPA, KANSAS

Notes to Financial Statement

December 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.D. BUDGETARY INFORMATION (CONTINUED)

A legal operating budget is not required for the following special purpose fund:

Water Bond Reserve Fund

Spending in funds which are not subject to the legal annual operating budget requirement or have not adopted an operating budget is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

I.E. ASSETS AND LIABILITIES

I.E.1. Cash and Investments

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pool cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in time deposits.

Additional cash and investment information is presented in Note III.A.

I.F. RECEIPTS AND EXPENDITURES

I.F.I. Sales Tax

The City of Chetopa, Kansas levies a 1.50% sales tax on taxable sales within the City. The tax is collected by the Kansas Department of Revenue and remitted to the City. One percent is placed in the General Fund to provide city services and one-half of one-half percent is placed equally in the Special Park Fund and Special City and County Highway Fund for parks and streets.

CITY OF CHETOPA, KANSAS

Notes to Financial Statement

December 31, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.F. RECEIPTS AND EXPENDITURES (CONTINUED)

I.F.2. Property Tax

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable one-half on December 20th and one-half on May 10th of the ensuing year. Unpaid taxes become delinquent after the due dates.

The assessed valuation of tangible property for the calendar year 2017 for the purposes of taxation was \$2,891,622.

The tax levy per \$100.00 of assessed valuation of tangible property for the calendar year was \$6.64. The levy is composed of the sum of the legal tax levies for all funds with authorized levies.

Collection of current year property tax by the County Treasurer is not completed, apportioned, nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. These taxes are used to finance budgeted expenditures for the succeeding year in accordance with Kansas Statutes.

I.F.3. Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

II.A. STATUTORY COMPLIANCE

The City does not have custodial agreements (prepared by custodian) and security interest agreements (prepared by depository) that are in writing, properly executed and approved and reflected in the minutes of the custodian and depository (K.S.A. 9-1405).

CITY OF CHETOPA, KANSAS

Notes to Financial Statement

December 31, 2017

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

II.A. STATUTORY COMPLIANCE (CONTINUED)

The City Clerk does not maintain a record of each funds indebtedness and budget balance available for appropriation. (K.S.A. 10-1117 and 79-2934).

II.B. REVENUE BOND COVENANTS

Ordinance No. 731 authorizing the issuance of \$143,500 "Water System Utility Revenue Bonds, Series 1998, contains requirements that separate funds and accounts be created and maintained beginning with delivery of the bonds and continuing as long as any bonds remain outstanding and unpaid. The funds and accounts to be maintained and the requirements pertaining to them are as follows:

Funds and accounts to be established within the Treasury of the City:

- 1) Water System Revenue Fund (the "Revenue Fund")
- 2) Water System Debt Service Fund (the "Debt Service Fund")
- 3) Water System Bond Reserve Fund (the "Bond Reserve Fund")
- 4) Water System Surplus Fund (the "Surplus Fund")

All receipts collected by the City from the operation of the Water System will be deposited into the Revenue Fund when received.

Monies in the Revenue Fund shall first be used to pay operating and maintenance expenses of the System during the ensuing 60 days.

There shall next be paid from the Revenue Fund the following:

- 1) To the "Debt Service Fund" a pro rata portion of the monthly principal, interest and fiscal agent fees next due on the succeeding payment date.
- 2) To the "Bond Reserve Fund" monthly payments of \$68.00 as long as the bonds remain outstanding.
- 3) After making all the payments above to the "Surplus Account" all remaining monies in the Revenue Fund.

CITY OF CHETOPA, KANSAS
Notes to Financial Statement
December 31, 2017

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

II.B. REVENUE BOND COVENANTS (CONTINUED)

Amounts credited to the above accounts may only be used for the purposes stated in the Ordinance.

The bonds are special, limited obligations of the City payable solely from, and secured by a pledge of, the Net Revenues of the System.

The City covenants to maintain and collect such rates that will produce sufficient revenues to meet the rate covenants contained in Section 14 of the Ordinance.

The City was in substantial compliance with the Ordinance.

The Surplus Account is not active.

III. DETAILED NOTES ON FUNDS AND ACCOUNTS

III.A. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City and its' related municipal entities. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located or an adjoining county if such institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Municipality has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's and its related municipal entities investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Municipality has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

CITY OF CHETOPA, KANSAS

Notes to Financial Statement

December 31, 2017

III. DETAILED NOTES ON FUNDS AND ACCOUNTS

III.A. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Municipality does not designate "peak periods".

At December 31, 2017, the City's (and its' related municipal entities) carrying amount of deposits was \$1,055,362 and the bank balance was \$1,071,758. 99% of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$272,263 was covered by federal depository insurance, and \$799,495 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

III.B. INTERFUND TRANSFERS

Operating transfers were as follows:

| From | To | Regulatory Authority | Amount |
|----------|------------------------|----------------------|---------|
| Water | Water Bond Reserve | KSA 12-825d | \$ 816 |
| Water | Debt Service | KSA 12-825d | 139,277 |
| Electric | Industrial Development | KSA 12-825d | 5,000 |
| Electric | Employee Benefit | KSA 12-825d | 95,000 |
| Electric | General | KSA 12-825d | 150,000 |
| Sewer | Debt Service | KSA 12-825d | 124,565 |

III.C. RESTRICTED ASSETS

The following amounts in the following funds are restricted as follows:

Special Law Enforcement Fund -

| | |
|-------------------------------------------|-----------------|
| Vehicle Inspection Fees (Law Enforcement) | \$ 512 |
| Law Enforcement Training | 4,196 |
| Total | <u>\$ 4,708</u> |

CITY OF CHETOPA, KANSAS
Notes to Financial Statement
December 31, 2017

V. Long-Term Debt

Changes in long-term liabilities for the City for the year ended December 31, 2017, were as follows:

| Issue | Interest Rates | Date of Issue | Amount of Issue | Date of Final Maturity | Balance Beginning of Year | Additions | Reductions/ Payments | Balance End of Year | Interest Paid |
|---------------------------------------|----------------|---------------|-----------------|------------------------|---------------------------|-----------|----------------------|---------------------|---------------|
| General Obligation Bonds: | | | | | | | | | |
| Series 2012 | 2.75% | 7/24/2012 | \$ 3,000,000 | 7/24/1952 | \$ 2,824,764 | \$ - | \$ 46,914 | \$ 2,777,850 | \$ 77,681 |
| Series 2014 A | 3.00% | 3/27/2014 | \$ 2,148,000 | 3/27/2054 | 2,090,344 | - | 30,218 | 2,060,126 | 62,710 |
| Series 2014 B | 2.75% | 3/27/2014 | \$ 1,116,000 | 3/27/2054 | 1,084,334 | - | 16,530 | 1,067,804 | 29,819 |
| Total General Obligation Bonds | | | | | \$ 5,999,442 | \$ - | \$ 93,662 | \$ 5,905,780 | \$ 170,210 |
| Revenue Bonds: | | | | | | | | | |
| Water Utility System, Series 1998 | 4.75% | 12/21/1998 | \$ 143,500 | 12/21/2038 | \$ 110,000 | \$ - | \$ 2,900 | \$ 107,100 | \$ 5,225 |
| KDHE Loans: | | | | | | | | | |
| Public Water Supply Revolving Loan | 3.47% | 11/12/1996 | \$ 343,841 | 3/1/2018 | \$ 21,381 | \$ - | \$ 21,381 | \$ - | \$ 558 |
| Capital Leases Payable: | | | | | | | | | |
| Police Vehicle | 4.75% | 4/3/2012 | \$ 28,087 | 4/7/2017 | \$ 2,088 | \$ - | \$ 2,088 | \$ - | \$ 8 |
| Police Cameras | 3.50% | 10/16/2012 | \$ 17,695 | 10/8/2017 | 3,165 | - | 3,165 | - | 10 |
| Police Truck | 2.50% | 3/4/2014 | \$ 28,986 | 3/4/2019 | 13,497 | - | 5,905 | 7,592 | 270 |
| Fire Truck | 5.00% | 4/8/2010 | \$ 80,000 | 4/8/2020 | 31,211 | - | 31,211 | - | 615 |
| Police Truck | 2.50% | 4/20/2016 | \$ 22,861 | 4/6/2021 | 19,961 | - | 4,419 | 15,542 | 445 |
| Water Intake Improvements | 3.00% | 12/29/2016 | \$ 125,942 | 3/6/2026 | 125,942 | - | 12,212 | 113,730 | 3,368 |
| Storm Shelter | 3.00% | 12/29/2016 | \$ 37,488 | 3/6/2026 | 37,488 | - | 3,676 | 33,812 | 962 |
| Fire Truck and Fire UTV | 3.50% | 5/16/2017 | \$ 47,083 | 5/16/2022 | - | 47,083 | 5,121 | 41,962 | 875 |
| Total Capital Leases Payable | | | | | \$ 233,352 | \$ 47,083 | \$ 67,797 | \$ 212,638 | \$ 6,553 |
| Total Contractual Indebtedness | | | | | \$ 6,364,175 | \$ 47,083 | \$ 185,740 | \$ 6,225,518 | \$ 182,546 |

CITY OF CHETOPA, KANSAS
Notes to Financial Statement
For the Year Ended December 31, 2017

IV. Long-Term Debt (Continued)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023-2027 | 2028-2032 | 2033-2037 | 2038-2042 | 2043-2047 | 2048-2052 | 2053-2054 | Total |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|
| Principal: | | | | | | | | | | | | | |
| General Obligation Bonds | \$ 96,312 | \$ 99,038 | \$ 101,398 | \$ 104,712 | \$ 107,677 | \$ 585,438 | \$ 672,860 | \$ 774,170 | \$ 890,285 | \$ 1,023,852 | \$ 1,179,970 | \$ 270,068 | \$ 5,905,780 |
| Revenue Bonds | 3,100 | 3,200 | 3,400 | 3,500 | 3,700 | 21,500 | 26,900 | 34,000 | 7,800 | - | - | - | 107,100 |
| Capital Leases Payable | 35,545 | 31,947 | 31,346 | 29,068 | 21,948 | 62,784 | - | - | - | - | - | - | 212,638 |
| Total Principal | \$ 134,957 | \$ 134,185 | \$ 136,144 | \$ 137,280 | \$ 133,325 | \$ 669,722 | \$ 699,760 | \$ 808,170 | \$ 898,085 | \$ 1,023,852 | \$ 1,179,970 | \$ 270,068 | \$ 6,225,518 |
| Interest: | | | | | | | | | | | | | |
| General Obligation Bonds | \$ 167,560 | \$ 164,833 | \$ 162,473 | \$ 159,159 | \$ 156,194 | \$ 733,919 | \$ 646,498 | \$ 545,188 | \$ 429,073 | \$ 295,507 | \$ 141,903 | \$ 11,922 | \$ 3,614,229 |
| Revenue Bonds | 5,088 | 4,940 | 4,788 | 4,627 | 4,460 | 19,477 | 13,881 | 6,841 | 371 | - | - | - | 64,473 |
| Capital Leases Payable | 5,992 | 4,958 | 4,016 | 3,049 | 2,651 | 3,283 | - | - | - | - | - | - | 23,949 |
| Total Interest | \$ 178,640 | \$ 174,731 | \$ 171,277 | \$ 166,835 | \$ 163,305 | \$ 756,679 | \$ 660,379 | \$ 552,029 | \$ 429,444 | \$ 295,507 | \$ 141,903 | \$ 11,922 | \$ 3,702,651 |
| Total Principal and Interest | \$ 313,597 | \$ 308,916 | \$ 307,421 | \$ 304,115 | \$ 296,630 | \$ 1,426,401 | \$ 1,360,139 | \$ 1,360,199 | \$ 1,327,529 | \$ 1,319,359 | \$ 1,321,873 | \$ 281,990 | \$ 9,928,169 |

CITY OF CHETOPA, KANSAS

Notes to Financial Statement

December 31, 2017

VI. PENSION PLAN

Plan description

The City of Chetopa, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from City of Chetopa, Kansas were \$44,401 for the year ended December 31, 2017.

CITY OF CHETOPA, KANSAS

Notes to Financial Statement

December 31, 2017

VI. PENSION PLAN (CONTINUED)

Net Pension Liability

At December 31, 2017, the City of Chetopa, Kansas's proportionate share of the collective net pension liability reported by KPERS was \$414,534. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The City of Chetopa, Kansas's proportion of the net pension liability was based on the ratio of the City of Chetopa, Kansas's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

VII. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City carries commercial insurance for risks of loss. There have been no significant reductions in insurance coverage. Settled claims resulting from risks have not exceeded commercial insurance coverage in any of the past three years.

VIII. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits. As provided by K.S.A. 12-540, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

CITY OF CHETOPA, KANSAS

Notes to Financial Statement

December 31, 2017

VIII. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

Compensated Absences. The City's policies regarding vacation and sick pay permit employees to accumulate a maximum of 30 days of vacation time and a maximum of 120 days of sick pay. Vacation time is paid to employees upon termination. Sick leave is paid to employees upon termination of employment based on length of continuous employment. At December 31, 2017, management estimates that the value of accumulated vacation and sick leave to not be material.

Group Hospitalization. Beginning January 1, 2017, the City established a partially self-funded health insurance plan.

The City has retained a claims management company to administer the plan. The City is responsible for claims up to \$6,500 per person/\$13,000 per family. Claims in excess of these limits are paid by insurance purchased through an insurance company.

The City has no record of outstanding medical claims incurred but not paid. The amount of medical claims at December 31, 2017 is not available.

IX. TAX ABATEMENTS

The City approved a Neighborhood Revitalization Program (NRP) on February 17, 2015, by the passage of Ordinance No. 875. Applicants must apply for the rebate during the five year program period. Applicants must meet the criteria of the program. There must be a minimum investment of \$5,000 for residential property and \$10,000 for commercial and/or industrial property, to receive the rebate.

The property tax rebated under the NRP during 2017 totaled \$3,750.

X. CONTINGENCIES

X.A. LITIGATION

The City is party to various legal proceedings which normally occur in governmental operations. While the outcome of such proceedings cannot be predicted, due to insurance maintained by the City, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

X. CONTINGENCIES (CONTINUED)

X.B. GRANT PROGRAM INVOLVEMENT

In the normal course of operations, the City participates in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loans. Any liability for reimbursement, which may arise, as the result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

XI. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statements of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

CITY OF CHETOPA, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

| Funds | Certified Budget | Adjustment for Qualifying Budget Credits | Total Budget for Comparison | Expenditures Chargeable to Current Year | Variance - Over (Under) |
|---------------------------------|---------------------|------------------------------------------------|-----------------------------------|-----------------------------------------------|-------------------------------|
| General Funds: | | | | | |
| General | \$ 435,554 | \$ 356,585 | \$ 792,139 | \$ 706,308 | \$ (85,831) |
| Special Purpose Funds: | | | | | |
| Library | 11,682 | - | 11,682 | 10,725 | (957) |
| Special Park | 54,944 | 591 | 55,535 | 53,997 | (1,538) |
| Special City and County Highway | 94,266 | - | 94,266 | 91,637 | (2,629) |
| Industrial Development | 22,091 | - | 22,091 | 20,073 | (2,018) |
| Fire Fighting Equipment | 47,204 | - | 47,204 | - | (47,204) |
| Employee Benefits | 223,124 | - | 223,124 | 187,578 | (35,546) |
| Special Law Enforcement | 5,197 | 883 | 6,080 | 3,170 | (2,910) |
| Special Liabilities | 5,000 | - | 5,000 | - | (5,000) |
| City Building | - | - | - | - | - |
| Bond and Interest Funds: | | | | | |
| Debt Service | 263,872 | - | 263,872 | 263,872 | - |
| Business Funds: | | | | | |
| Electric | 1,664,981 | - | 1,664,981 | 1,362,731 | (302,250) |
| Refuse | 122,000 | - | 122,000 | 105,961 | (16,039) |
| Water | 350,715 | 125,942 | 476,657 | 451,022 | (25,635) |
| Sewer | 217,534 | - | 217,534 | 210,164 | (7,370) |

CITY OF CHETOPA, KANSAS
 General Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|-----------------------------------------|-------------------|-------------------|-------------------------------|
| Receipts: | | | |
| Taxes and Shared Receipts: | | | |
| Ad Valorem Property Tax | \$ 97,909 | \$ 106,392 | \$ (8,483) |
| Delinquent Tax | 6,226 | 4,023 | 2,203 |
| Motor Vehicle Tax | 11,681 | 11,603 | 78 |
| Recreational Vehicle Tax | 74 | 41 | 33 |
| 16/20 M Vehicle Tax | 131 | 113 | 18 |
| Commercial Vehicle Tax | 28 | 27 | 1 |
| Watercraft Tax | - | 34 | (34) |
| Vehicle Rental Tax | 6 | 35 | (29) |
| Sales and Use Tax | 165,495 | 156,072 | 9,423 |
| Intergovernmental | 4,537 | - | 4,537 |
| Franchise Fees | 6,461 | 10,000 | (3,539) |
| Fines and Court Bonds | 68,407 | 70,000 | (1,593) |
| Licenses, Permits and Fees | 561 | 750 | (189) |
| Swimming Pool Receipts | 3,390 | 4,500 | (1,110) |
| Interest | 220 | 300 | (80) |
| Capital Lease Proceeds | 47,083 | - | 47,083 |
| Other | 191,955 | 238,192 | (46,237) |
| Operating Transfers | 150,000 | 200,000 | (50,000) |
| Total Receipts | <u>\$ 754,164</u> | <u>\$ 802,082</u> | <u>\$ (47,918)</u> |
| Expenditures: | | | |
| General Administration | \$ 59,676 | \$ 87,100 | \$ (27,424) |
| Police Department | 219,331 | 210,220 | 9,111 |
| Fire Department | 40,940 | 35,119 | 5,821 |
| Streets and Street Lighting | 4,386 | 79,517 | (75,131) |
| Parks and Recreation | 24,802 | 20,224 | 4,578 |
| Swimming Pool | 17,838 | 16,350 | 1,488 |
| First Responders | 7,884 | 5,900 | 1,984 |
| Museum | 3,788 | 5,924 | (2,136) |
| Municipal Court | 18,129 | 16,000 | 2,129 |
| Contracted Services | 248,582 | 283,066 | (34,484) |
| Neighborhood Revitalization Rebate | 2,182 | 2,139 | 43 |
| Capital Lease - Police Vehicle | 2,096 | 2,108 | (12) |
| Capital Lease - Police Cameras | 3,175 | 3,216 | (41) |
| Capital Lease - Police Truck | 6,175 | 6,175 | - |
| Capital Lease - Fire Truck | 31,826 | 10,185 | 21,641 |
| Capital Lease - Police Truck | 4,864 | 4,864 | - |
| Capital Lease - Storm Shelter | 4,638 | 4,032 | 606 |
| Capital Lease - Fire Truck and Fire UTV | 5,996 | - | 5,996 |
| Total Expenditures | <u>\$ 706,308</u> | <u>\$ 792,139</u> | <u>\$ (85,831)</u> |
| Receipts Over (Under) Expenditures | \$ 47,856 | | |
| Unencumbered Cash, Beginning | <u>102,751</u> | | |
| Unencumbered Cash, Ending | <u>\$ 150,607</u> | | |

CITY OF CHETOPA, KANSAS

Library Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|------------------|------------------|-------------------------------|
| Receipts: | | | |
| Taxes and Shared Receipts: | | | |
| Ad Valorem Property Tax | \$ 8,154 | \$ 9,031 | \$ (877) |
| Delinquent Tax | 684 | 554 | 130 |
| Motor Vehicle Tax | 1,857 | 1,867 | (10) |
| Recreational Vehicle Tax | 12 | 7 | 5 |
| 16/20 M Vehicle Tax | 13 | 18 | (5) |
| Commercial Vehicle Tax | 4 | 5 | (1) |
| Watercraft Tax | - | 5 | (5) |
| Vehicle Rental Tax | 1 | 5 | (4) |
| Total Receipts | <u>\$ 10,725</u> | <u>\$ 11,492</u> | <u>\$ (767)</u> |
| Expenditures: | | | |
| Appropriations to Library Board | \$ 10,540 | \$ 11,500 | \$ (960) |
| Neighborhood Revitalization Rebate | 185 | 182 | 3 |
| Total Expenditures | <u>\$ 10,725</u> | <u>\$ 11,682</u> | <u>\$ (957)</u> |
| Receipts Over (Under) Expenditures | \$ - | | |
| Unencumbered Cash, Beginning | <u>-</u> | | |
| Unencumbered Cash, Ending | <u>\$ -</u> | | |

CITY OF CHETOPA, KANSAS

Special Park Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|------------------|------------------|-------------------------------|
| Receipts: | | | |
| Taxes and Shared Receipts: | | | |
| Sales and Use Tax | \$ 18,500 | \$ 18,106 | \$ 394 |
| Fees | 4,942 | 5,000 | (58) |
| Total Receipts | <u>\$ 23,442</u> | <u>\$ 23,106</u> | <u>\$ 336</u> |
| Expenditures: | | | |
| Personal Services | \$ 16,335 | \$ 16,335 | \$ - |
| Contractual Services | 16,260 | 17,000 | (740) |
| Commodities | 21,402 | 22,200 | (798) |
| Total Expenditures | <u>\$ 53,997</u> | <u>\$ 55,535</u> | <u>\$ (1,538)</u> |
| Receipts Over (Under) Expenditures | \$ (30,555) | | |
| Unencumbered Cash, Beginning | <u>32,429</u> | | |
| Unencumbered Cash, Ending | <u>\$ 1,874</u> | | |

CITY OF CHETOPA, KANSAS
Special City and County Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|-------------|-----------|-------------------------------|
| Receipts: | | | |
| Taxes and Shared Receipts: | | | |
| Sales and Use Tax | \$ 18,500 | \$ 18,106 | \$ 394 |
| State of Kansas Gas Tax | 28,562 | 28,320 | 242 |
| Total Receipts | \$ 47,062 | \$ 46,426 | \$ 636 |
| Expenditures: | | | |
| Personal Services | \$ 26,266 | \$ 26,266 | \$ - |
| Contractual Services | 6,414 | 8,000 | (1,586) |
| Commodities | 58,957 | 60,000 | (1,043) |
| Total Expenditures | \$ 91,637 | \$ 94,266 | \$ (2,629) |
| Receipts Over (Under) Expenditures | \$ (44,575) | | |
| Unencumbered Cash, Beginning | 47,840 | | |
| Unencumbered Cash, Ending | \$ 3,265 | | |

CITY OF CHETOPA, KANSAS
Industrial Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|------------------|------------------|-------------------------------|
| Receipts: | | | |
| Taxes and Shared Receipts: | | | |
| Ad Valorem Property Tax | \$ 4,089 | \$ 4,528 | \$ (439) |
| Delinquent Tax | 309 | 294 | 15 |
| Motor Vehicle Tax | 741 | 737 | 4 |
| Recreational Vehicle Tax | 5 | 3 | 2 |
| 16/20 M Vehicle Tax | 8 | 7 | 1 |
| Commercial Vehicle Tax | 2 | 2 | - |
| Watercraft Tax | - | 2 | (2) |
| Other | 2,100 | 2,100 | - |
| Operating Transfers | 5,000 | 5,000 | - |
| Total Receipts | <u>\$ 12,254</u> | <u>\$ 12,673</u> | <u>\$ (419)</u> |
| Expenditures: | | | |
| Economic Development | \$ 20,000 | \$ 22,000 | \$ (2,000) |
| Neighborhood Revitalization Rebate | 73 | 91 | (18) |
| Total Expenditures | <u>\$ 20,073</u> | <u>\$ 22,091</u> | <u>\$ (2,018)</u> |
| Receipts Over (Under) Expenditures | \$ (7,819) | | |
| Unencumbered Cash, Beginning | <u>11,320</u> | | |
| Unencumbered Cash, Ending | <u>\$ 3,501</u> | | |

CITY OF CHETOPA, KANSAS
 Fire Fighting Equipment Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|------------------|------------------|-------------------------------|
| Receipts: | | | |
| Taxes and Shared Receipts: | | | |
| Delinquent Tax | \$ 31 | \$ 27 | \$ 4 |
| Motor Vehicle Tax | 42 | 45 | (3) |
| Rural Fire Contracts | 10,723 | 9,300 | 1,423 |
| Other | 51 | - | 51 |
| Total Receipts | <u>\$ 10,847</u> | <u>\$ 9,372</u> | <u>\$ 1,475</u> |
| Expenditures: | | | |
| Commodities | <u>\$ -</u> | <u>\$ 47,204</u> | <u>\$ (47,204)</u> |
| Receipts Over (Under) Expenditures | \$ 10,847 | | |
| Unencumbered Cash, Beginning | <u>43,282</u> | | |
| Unencumbered Cash, Ending | <u>\$ 54,129</u> | | |

CITY OF CHETOPA, KANSAS
Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|-------------------|-------------------|-------------------------------|
| Receipts: | | | |
| Taxes and Shared Receipts: | | | |
| Ad Valorem Property Tax | \$ 56,768 | \$ 62,869 | \$ (6,101) |
| Delinquent Tax | 4,470 | 3,726 | 744 |
| Motor Vehicle Tax | 11,418 | 11,341 | 77 |
| Recreational Vehicle Tax | 72 | 40 | 32 |
| 16/20 M Vehicle Tax | 128 | 110 | 18 |
| Commercial Vehicle Tax | 28 | 28 | - |
| Watercraft Tax | - | 32 | (32) |
| Vehicle Rental Tax | 6 | - | 6 |
| Interest | 11 | - | 11 |
| Payroll Withholding | 39,179 | 24,000 | 15,179 |
| Operating Transfers | 95,000 | 122,000 | (27,000) |
| Total Receipts | <u>\$ 207,080</u> | <u>\$ 224,146</u> | <u>\$ (17,066)</u> |
| Expenditures: | | | |
| Employee Benefits | \$ 186,539 | \$ 221,860 | \$ (35,321) |
| Neighborhood Revitalization Rebate | 1,039 | 1,264 | (225) |
| Total Expenditures | <u>\$ 187,578</u> | <u>\$ 223,124</u> | <u>\$ (35,546)</u> |
| Receipts Over (Under) Expenditures | \$ 19,502 | | |
| Unencumbered Cash, Beginning | <u>215</u> | | |
| Unencumbered Cash, Ending | <u>\$ 19,717</u> | | |

CITY OF CHETOPA, KANSAS
Special Law Enforcement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|-----------------|-----------------|-------------------------------|
| Receipts: | | | |
| Court Fees | \$ 2,770 | \$ 2,400 | \$ 370 |
| Vehicle Inspection Fees | 240 | 800 | (560) |
| Donations | 548 | - | 548 |
| Total Receipts | <u>\$ 3,558</u> | <u>\$ 3,200</u> | <u>\$ 358</u> |
| Expenditures: | | | |
| Contractual Services | \$ - | \$ 1,000 | \$ (1,000) |
| Commodities | 803 | 3,000 | (2,197) |
| State of Kansas | 24 | 80 | (56) |
| Law Enforcement Training | 2,343 | 2,000 | 343 |
| Total Expenditures | <u>\$ 3,170</u> | <u>\$ 6,080</u> | <u>\$ (2,910)</u> |
| Receipts Over (Under) Expenditures | \$ 388 | | |
| Unencumbered Cash, Beginning | <u>4,768</u> | | |
| Unencumbered Cash, Ending | <u>\$ 5,156</u> | | |

CITY OF CHETOPA, KANSAS
Special Liabilities Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|------------------|------------------|-------------------------------|
| Receipts: | | | |
| Taxes and Shared Receipts: | | | |
| Delinquent Tax | \$ 2,817 | \$ 2,481 | \$ 336 |
| Motor Vehicle Tax | 7,411 | 7,370 | 41 |
| Recreational Vehicle Tax | 47 | 26 | 21 |
| 16/20 M Vehicle Tax | 80 | 71 | 9 |
| Commercial Vehicle Tax | 18 | 18 | - |
| Watercraft Tax | - | 21 | (21) |
| Vehicle Rental Tax | 4 | 21 | (17) |
| Other | 162 | - | 162 |
| Total Receipts | <u>\$ 10,539</u> | <u>\$ 10,008</u> | <u>\$ 531</u> |
| Expenditures: | | | |
| Contractual Services | <u>\$ -</u> | <u>\$ 5,000</u> | <u>\$ (5,000)</u> |
| Receipts Over (Under) Expenditures | \$ 10,539 | | |
| Unencumbered Cash, Beginning | <u>46,727</u> | | |
| Unencumbered Cash, Ending | <u>\$ 57,266</u> | | |

CITY OF CHETOPA, KANSAS
City Building Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|----------|--------|-------------------------------|
| Receipts: | | | |
| Operating Transfers | \$ - | \$ - | \$ - |
| Expenditures: | | | |
| Contractual Services | \$ - | \$ - | \$ - |
| Receipts Over (Under) Expenditures | \$ - | | |
| Unencumbered Cash, Beginning | 7,071 | | |
| Unencumbered Cash, Ending | \$ 7,071 | | |

CITY OF CHETOPA, KANSAS
Water Bond Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017

| | <u>Actual</u> |
|------------------------------------|------------------------------|
| Receipts: | |
| Operating Transfers | <u>\$ 816</u> |
| Expenditures: | |
| Debt Service | <u>\$ -</u> |
| Receipts Over (Under) Expenditures | \$ 816 |
| Unencumbered Cash, Beginning | <u>14,688</u> |
| Unencumbered Cash, Ending | <u><u>\$ 15,504</u></u> |

CITY OF CHETOPA, KANSAS
 Debt Service Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|------------|------------|-------------------------------|
| Receipts: | | | |
| Operating Transfers | \$ 263,872 | \$ 263,872 | \$ - |
| Expenditures: | | | |
| Debt Service | \$ 263,872 | \$ 263,872 | \$ - |
| Receipts Over (Under) Expenditures | \$ - | | |
| Unencumbered Cash, Beginning | - | | |
| Unencumbered Cash, Ending | \$ - | | |

CITY OF CHETOPA, KANSAS

Electric Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|---------------------|---------------------|-------------------------------|
| Receipts: | | | |
| Charges for Services | \$ 1,332,445 | \$ 1,827,672 | \$ (495,227) |
| Customer Deposits | 10,900 | 13,000 | (2,100) |
| Interest | 469 | 500 | (31) |
| Other | 2,004 | 2,000 | 4 |
| Total Receipts | <u>\$ 1,345,818</u> | <u>\$ 1,843,172</u> | <u>\$ (497,354)</u> |
| Expenditures: | | | |
| Personal Services | \$ 166,426 | \$ 170,581 | \$ (4,155) |
| Contractual Services | 52,764 | 70,000 | (17,236) |
| Commodities | 883,367 | 1,140,000 | (256,633) |
| Customer Deposit Refunds | 10,174 | 14,400 | (4,226) |
| Operating Transfers | 250,000 | 270,000 | (20,000) |
| Total Expenditures | <u>\$ 1,362,731</u> | <u>\$ 1,664,981</u> | <u>\$ (302,250)</u> |
| Receipts Over (Under) Expenditures | \$ (16,913) | | |
| Unencumbered Cash, Beginning | <u>223,916</u> | | |
| Unencumbered Cash, Ending | <u>\$ 207,003</u> | | |

CITY OF CHETOPA, KANSAS

Refuse Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|-------------------|-------------------|-------------------------------|
| Receipts: | | | |
| Charges for Services | \$ 120,744 | \$ 145,000 | \$ (24,256) |
| Interest | 220 | 250 | (30) |
| Other | 45 | - | 45 |
| Total Receipts | <u>\$ 121,009</u> | <u>\$ 145,250</u> | <u>\$ (24,241)</u> |
| Expenditures: | | | |
| Personal Services | \$ 59,096 | \$ 67,000 | \$ (7,904) |
| Contractual Services | 34,564 | 40,000 | (5,436) |
| Commodities | 12,301 | 15,000 | (2,699) |
| Total Expenditures | <u>\$ 105,961</u> | <u>\$ 122,000</u> | <u>\$ (16,039)</u> |
| Receipts Over (Under) Expenditures | \$ 15,048 | | |
| Unencumbered Cash, Beginning | <u>26,754</u> | | |
| Unencumbered Cash, Ending | <u>\$ 41,802</u> | | |

CITY OF CHETOPA, KANSAS

Water Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|-------------------|-------------------|-------------------------------|
| Receipts: | | | |
| Charges for Services | \$ 353,875 | \$ 380,000 | \$ (26,125) |
| Customer Deposits | 3,300 | 3,400 | (100) |
| Interest | 438 | 500 | (62) |
| Total Receipts | <u>\$ 357,613</u> | <u>\$ 383,900</u> | <u>\$ (26,287)</u> |
| Expenditures: | | | |
| Personal Services | \$ 111,804 | \$ 132,600 | \$ (20,796) |
| Contractual Services | 73,727 | 76,000 | (2,273) |
| Commodities | 97,261 | 94,000 | 3,261 |
| Customer Deposit Refunds | 2,800 | 6,450 | (3,650) |
| Taxes and Fees | 1,632 | 4,300 | (2,668) |
| Debt Service | 8,125 | 8,125 | - |
| Capital Lease - Water Intake | 15,580 | 15,089 | 491 |
| Operating Transfers | 140,093 | 140,093 | - |
| Total Expenditures | <u>\$ 451,022</u> | <u>\$ 476,657</u> | <u>\$ (25,635)</u> |
| Receipts Over (Under) Expenditures | \$ (93,409) | | |
| Unencumbered Cash, Beginning | <u>283,220</u> | | |
| Unencumbered Cash, Ending | <u>\$ 189,811</u> | | |

CITY OF CHETOPA, KANSAS

Sewer Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

| | Actual | Budget | Variance - Over (Under) |
|------------------------------------|-------------------|-------------------|-------------------------------|
| Receipts: | | | |
| Charges for Services | \$ 188,294 | \$ 215,000 | \$ (26,706) |
| Interest | 73 | 100 | (27) |
| Other | - | 100 | (100) |
| Total Receipts | <u>\$ 188,367</u> | <u>\$ 215,200</u> | <u>\$ (26,833)</u> |
| Expenditures: | | | |
| Personal Services | \$ 45,747 | \$ 46,000 | \$ (253) |
| Contractual Services | 10,771 | 15,000 | (4,229) |
| Commodities | 7,112 | 10,000 | (2,888) |
| Debt Service | 21,939 | 21,939 | - |
| Operating Transfers | 124,595 | 124,595 | - |
| Total Expenditures | <u>\$ 210,164</u> | <u>\$ 217,534</u> | <u>\$ (7,370)</u> |
| Receipts Over (Under) Expenditures | \$ (21,797) | | |
| Unencumbered Cash, Beginning | <u>184,071</u> | | |
| Unencumbered Cash, Ending | <u>\$ 162,274</u> | | |

CITY OF CHETOPA, KANSAS
Related Municipal Entities
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2017

| | <u>Chetopa City Library</u> | <u>Chetopa Historical Society</u> |
|------------------------------------|---------------------------------|---------------------------------------|
| Receipts: | | |
| City of Chetopa | \$ 10,283 | \$ - |
| Labette County | - | 3,000 |
| SEK Library | 7,348 | - |
| State of Kansas | 326 | - |
| Donations | 501 | 363 |
| Refunds | 881 | - |
| Interest | 784 | 44 |
| Other | - | 226 |
| | <hr/> | <hr/> |
| Total Receipts | \$ 20,123 | \$ 3,633 |
| | <hr/> | <hr/> |
| Expenditures: | | |
| Personal Services | \$ 12,378 | \$ 3,150 |
| Contractual Services | 3,459 | 734 |
| Commodities | 2,757 | 261 |
| Other | 1,569 | 62 |
| | <hr/> | <hr/> |
| Total Expenditures | \$ 20,163 | \$ 4,207 |
| | <hr/> | <hr/> |
| Receipts Over (Under) Expenditures | \$ (40) | \$ (574) |
| | <hr/> | <hr/> |
| Unencumbered Cash, -Beginning | 19,971 | 14,958 |
| | <hr/> | <hr/> |
| Unencumbered Cash, Ending | \$ 19,931 | \$ 14,384 |
| | <hr/> <hr/> | <hr/> <hr/> |